

Message Text

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62

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 PA-01 PRS-01 L-03 /058 W

----- 078458

R 171855Z SEP 76

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 1856

INFO AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

LIMITED OFFICIAL USE LIMA 8483

E.O. 11652: N/A

TAGS: EGEN, EFIN, EALR, PE

SUBJECT: WILL PERU OPT FOR SERIES OF MINI-DEVALUATIONS?

REF: LIMA 6261

1. THERE IS A GROWING BELIEF IN PERUVIAN FINANCIAL CIRCLES THAT THE GOP MAY ADOPT A POLICY OF RELATIVELY FREQUENT MINI-DEVALUATIONS OVER THE COMING MONTHS AND INTO 1977. THESE EXCHANGE-RATE ADJUSTMENTS WOULD BE IN THE THREE PERCENT RANGE, E.G. THE FIRST DEVALUATION MIGHT BE (FROM THE PRE-SENT 65) TO 67 SOLES TO THE DOLLAR, AND MAY WELL COME BEFORE YEAR'S END, POSSIBLY AS EARLY AS LATE-SEPTEMBER OR OCTOBER.

2. WE UNDERSTAND AS WELL THAT THE GOP'S MINISTRY OF ECONOMY AND FINANCE IS STUDYING MEASURES, TO BE ANNOUNCED SHORTLY, WHICH WOULD INCREASE THE MONEY SUPPLY RATHER DRAMATICALLY THROUGH REDUCTIONS IN BANKS' RESERVE REQUIREMENTS.

THIS MOVE WOULD BE DESIGNED PRIMARILY TO STIMULATE

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PRIVATE-SECTOR INVESTMENT ACTIVITIES. DEAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC STABILITY, DEVALUATIONS
Control Number: n/a
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Draft Date: 17 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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Review Comment: n/a
Review Content Flags:
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Margaret P. Grafeld
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